



WOTC provides  
a credit against  
an employer's  
federal tax  
liabilities  
of up to  
**\$9,600**  
per  
employee.



MISSISSIPPI DEPARTMENT of EMPLOYMENT SECURITY



## For More Information Contact

MDES Work Opportunity Tax Credit Unit  
601-321-6084 or 601-321-6093 or

Your local WIN Job Center  
For locations, call 888-844-3577 or  
visit the MDES website at [mdes.ms.gov](http://mdes.ms.gov)

An equal opportunity employer and program, MDES has auxiliary aids and services available upon request to those with disabilities.

Those needing TTY assistance may call 800-582-2233.

Funded by the U.S. Department of Labor through the Mississippi Department of Employment Security.

This document is provided as a general program guide. The WOTC program is subject to change as reflected in updates to federal laws.

MISSISSIPPI DEPARTMENT of EMPLOYMENT SECURITY  
1235 Echelon Parkway  
P.O. BOX 1699  
Jackson, MS 39215-1699



# Businesses can get tax credits for new hires before January 1, 2014.



**MDES**  
MISSISSIPPI DEPARTMENT of EMPLOYMENT SECURITY



# What is the WOTC?

The Work Opportunity Tax Credit Program provides businesses with substantial tax savings for each qualified employee hired from the targeted groups.

Commonly known as WOTC, the program provides a credit against an employer's federal tax liabilities of up to \$9,600 per employee. The amount of the actual credit depends on several factors, including target group, hours worked and wages earned in the employer's business.

Businesses are allowed to make all the hiring decisions. There is no limit to the number of new hires who can qualify their employer for the tax savings.

On January 2, 2013, President Obama signed into law The American Taxpayer Relief Act of 2012, which in part, authorizes an extension of the WOTC Program.

## What are the target groups?

- TANF Recipients
- Ex-felons
- Designated Community Residents\*
- Vocational Rehabilitation Referrals
- Summer Youth
- Supplemental Nutrition Assistance Program Recipients
- Supplemental Security Income Recipients
- Long-term TANF Recipients

\* The Renewal Community designations expired on December 31, 2009, and were not renewed by Congress.

**In addition, the Act extends authorization for all of the following "Vow to Hire Heroes Act" Veteran groups through December 31, 2013.**

- Veterans receiving Supplemental Nutritional Assistance Program (SNAP) Benefits
- Disabled Veterans
- Disabled Veterans Unemployed Six Months
- Veterans Unemployed Four Weeks
- Veterans Unemployed Six Months

## Who qualifies as a Veteran?

**For the purposes of WOTC, a Veteran is defined as an individual who:**

- Served on active duty for a period of more than 180 days in the Armed Forces of the USA, or
- Was discharged from active duty for a service-connected disability, and
- Did not have any day during the 60-day period prior to the hiring date which was a day of "extended active duty" in the Armed Forces of the United States.

**To establish that the newly hired employee is a Veteran, the following forms of support documentation may be submitted to MDES with the WOTC application:**

- Form DD-214
- Letters of Separation bearing the Agency stamp and signed by the individual who verified service-connected disability
- Discharge Papers
- Reserve Unit Contracts

## How to apply for WOTC:

Businesses must apply for, and receive certification from the Mississippi Department of Employment Security (MDES) that the newly hired employee is a member in at least one of the WOTC target groups before the business can claim the WOTC on its federal income tax return. To apply for the certification, businesses should follow three steps:

**1 Complete page 1 of IRS Form 8850, Pre-screening Notice and Certification Request for the Work Opportunity Credit, by the date of the job offer, and page 2 of IRS Form 8850 after the individual is hired;**

**2 Complete one of the following U. S. Department of Labor forms, as appropriate:**

- ETA Form 9061, Individual Characteristics Form, if the new hire has not been given a Conditional Certification, ETA Form 9062, or
- ETA Form 9062, Conditional Certification Form, if provided to the job candidate by a Participating Agency (such as Vocational Rehabilitation), an Employment Network, or the State Workforce Agency (MDES).

**3 File the signed and dated IRS and ETA forms with MDES not later than 28-calendar days after the new hire's employment starting date.**

Note: For detailed information, refer to Instructions for Form 8850.

**Businesses should mail their completed forms to:**

Mississippi Department of Employment Security  
Attention: WOTC Unit  
P. O. Box 1699  
Jackson, MS 39215-1699

**Note:** IRS Form 8850 and ETA Form 9061 are available at [www.doleta.gov/incentives/opptax/](http://www.doleta.gov/incentives/opptax/), or by calling 1-800-829-3676.